



BILLING CODE 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 17-75]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification.

FOR FURTHER INFORMATION CONTACT: Pamela Young, (703) 697-9107, pamela.a.young14.civ@mail.mil or Kathy Valadez, (703) 697-9217, kathy.a.valadez.civ@mail.mil; DSCA/DSA-RAN.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 17-75 with attached Policy Justification and Sensitivity of Technology.

Dated: March 6, 2018.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

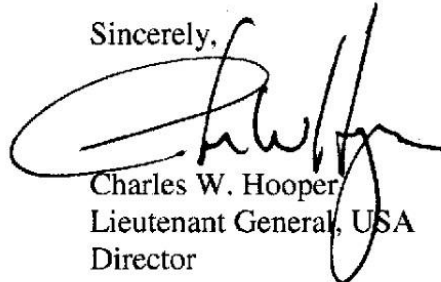
The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

FEB 20 2018

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 17-75, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Finland for defense articles and services estimated to cost \$70 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,



Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 17-75

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Finland

(ii) Total Estimated Value:

Major Defense Equipment*	\$60 million
Other	<u>\$10 million</u>
TOTAL	\$70 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Four (4) MK 41 Baseline VII Strike-Length Vertical Launching Systems

Non-MDE:

Also included are spares, handling equipment, test equipment, operator manuals and technical documentation, U.S. Government and contractor engineering, training, technical, and logistical support services, and other related elements of logistical support.

(iv) Military Department: Navy (FI-P-LBN)

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: February 20, 2018

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Finland – Mk 41 Vertical Launching Systems

The Government of Finland has requested a possible sale of four (4) Mk 41 Baseline VII Strike-Length Vertical Launching Systems. Also included are spares, handling equipment, test equipment, operator manuals and technical documentation, U.S. Government and contractor engineering, training, technical, and logistical support services, and other related elements of logistical support. The estimated total case value is \$70 million.

This proposed sale will support the foreign policy and national security objectives of the United States by improving the security of a partner nation that has been, and continues to be, an important force for political stability and economic progress in Europe.

Finland intends to use the vertical launching systems on four new construction corvettes that will make up the Finnish Navy's Squadron 2020. The vertical launching systems will enable Finland to acquire missiles that will significantly enhance the Finnish Navy's area defense capabilities over critical air-and-sea-lines of trade and communication. The proposed sale of the Mk 41 will increase the Finnish Navy's maritime partnership, interoperability, and regional security capability. Finland has not purchased the Mk 41 previously, but will have no difficulty incorporating this capability into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be Lockheed Martin Corporation, Bethesda, MD. The purchaser typically requests offsets. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will require up to 12 U.S. Government personnel and up to five contractor representatives to travel to Finland providing support over a period of ten years.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 17-75

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The Mk 41 Vertical Launching System (VLS) is a fixed, vertical, multi-missile launching system with the capability to store and launch multiple missile variants depending on the warfighting mission, including the Evolved Sea Sparrow Missile (ESSM) and Standard Missile 2 (SM-2). This proposed sale would provide tactical VLS capability for the ESSM. Mk 41 VLS is a modular below-deck configuration with each module consisting of 8 missile cells with an associated gas management and deluge system. The highest classification of the hardware in the proposed sale is UNCLASSIFIED. The highest classification of the technical documentation in the proposed sale is UNCLASSIFIED. The highest classification of the software to be exported is CONFIDENTIAL.

2. If a technologically advanced adversary were to obtain knowledge of specific hardware, the information could be used to develop countermeasures which might reduce weapons system effectiveness or be used in the development of a system with similar or advanced capabilities.

3. A determination has been made that Finland can provide substantially the same degree of protection for sensitive technology being released as the U.S. Government. This proposed sustainment program is necessary to the furtherance of the U.S. foreign policy and national security objectives outlined in the policy justification.

4. All defense articles and services listed on this transmittal are authorized for release and export to the Government of Finland.

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